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# The Key to Successful Industrial Management

By A. LINCOLN FILENE

Treasurer and General Manager, Wm. Filene Sons Company, Boston, Mass.

WE do not have to theorize as to what a modern plant and its management should stand for. The facts are ready to hand. Here and there throughout the country, examples of sound and successful practice in industrial relations within a plant can be observed with profit to the observer. And the number of such examples is growing day by day.

Take two such well-known instances of organized right relations as the system followed by Hart-Schaffner and Marx and the International Harvester Company. In the former case, there has been peace and profitable production for years in spite of conditions in the garment industry which constantly work against stability. In the second instance, the Harvester people, after a long and well prepared campaign, recently put into operation a plan for industrial representation of its employes among the twenty plants based on the most enlightened principles of labor relationships.

The truth is that managers and men have in reality a common goal before them. But they have been at odds as to the best way of reaching that goal. And because they have been differing in this way, they naturally lost sight of the big fact that it was a common goal which both were really seeking.

What is that goal? It is to get the maximum satisfaction and return from the work. Anxiety, uncertainty, discontent—these things are the chief foes of fitness. Efficiency, we must remind ourselves over and over again, is more of a psychological than it is a mechanical result.

The management which recognizes this axiom holds the key to unlimited success. Where work is sheer monotony and nothing is done to offset it, where surroundings pull down health and strength, or where relationships are such that no man feels that he has any stake in the plant and that the scrap-heap is ahead of him so far as any concern on the part of the management is felt; in all

these circumstances we have the fertile soil for ill will and poor work. There can be no real organization here.

Management has sometimes lost sight of the goal which it has in common with labor. It has been blinded perhaps by a narrow point of view, a rigid devotion to rule of thumb, and indifference to the greatest factor in production—the human factor. Income without satisfaction in work means labor instability, unrest and lowered output. And satisfaction in work is hardly possible without recognition by management of the human elements involved. Like all other human beings, the worker is a bundle of instincts. He wants to create, to possess, to gain power, to have his work and merit properly recognized, to play, to protect himself and his own. He wants to learn new things, to vary his occupation so that it does not get on his nerves. He wants the satisfactions which make life worth living.

Now the basic conditions for the output to which both labor and capital are committed and out of which alone they can draw their upkeep are those which make the best return possible consistent with business soundness. Wages should be the highest and not the lowest that conditions warrant. There should be give and take on both sides. The men should feel that they never need ask for justice or fair dealing—these should come to them as a matter of course, because the business is so organized that it could not do otherwise.

Employment should cease to be a gamble and should hold out a future for those who mean to stay and make good. This means that the best thought of the employer must be given to eliminating the evils of irregular employment, and to offering incentives which help make labor contented and stable. Some employers are reducing the seasonal character of their business by inducing their customers to order goods enough in advance so as to spread production over a longer period; they are carrying on campaigns for the standardization of styles so as to be able to carry on production throughout the year; they are constantly studying methods of producing different lines of goods so that in slack periods they may be able to keep their working forces profitably employed.

Among other methods of changing employment from an affair of chance to a carefully planned function of management

we find the increasing interest and attention given to the problems of hiring, placing, training and retaining workers through well organized employment departments in charge of capable executives who are thoroughly familiar with the problems of personnel and employment and are open-minded on the many difficult questions which confront industry today. Through the modern employment department we find it possible to secure a better class of workers, to place them more advantageously to themselves and to the management, to offer workers a clearing house for possible grievances and their adjustment, to get closer to the workers and their problems. The expensive turnover of labor is more easily reduced where such a department exists, because it can study the reasons for such turnover in detail and point out the remedies. Instead of the reckless hiring and firing of workers we find substituted the careful study of how to conserve labor so that it will pay adequately for the investment in it.

The contact between management and men should be such as to give all concerned a feeling of security in the motives of each. All the cards must be laid on the table. Each side must help the other with its viewpoint, knowledge and skill. This comes only when frankness and mutuality govern. And this frankness and mutuality must be made part of the written policy of the management, specific, concrete, detailed, so that all may know that they are working under a control of principles rather than of individuals. One of the great causes of industrial unrest has been the fundamental misunderstanding and mistrust of one another by employer and employed. The modern industrial plant seeks to remove this mutual mistrust by the establishment of a clearly defined labor policy worked out with the representatives of the workers in the plant; such policy forming the basis of the employment contract, implied in the conduct of the employer, or expressly agreed to in some form of collective bargaining.

The newest development in establishment of right relations between management and men is the shop committee modelled more or less on the plan worked out in England by the Whitley Committee. Already many employers are taking advantage of this method of meeting their employes on common ground

for discussion and action on matters of mutual interest and benefit. Such committees, to be successful, must be taken into the full confidence of the employer and given a real share in the management of the enterprise. The mistake is being made of labelling some schemes "industrial democracy" when democracy is conspicuous by its absence and the whole thing is a shallow attempt which really defeats the demands of the workers for participation in management.

Many people have to learn, and not a few do so only after very costly and bitter experience, that it is better to be genuine than spectacular. Workers are never deceived by make-believe industrial relation schemes. They respect the man who is honest, even though badly mistaken, in his industrial outlook. But they reward all insincerity with lasting contempt, disguised though it may be.

There is great opportunity ahead for every business and industry to take steps forward in bettering relationships within the establishment. Many a big figure in the management world considers it a high privilege to have a hand in such work. That is an encouraging sign of the times. There is no panacea, no patent drug, for making all things right within a plant. But this may be safely asserted: the key to success in management is *organized* and *sustained* effort on the part of all executives to approach a condition of mutual trust and mutual effort between the parties engaged in carrying on the industries of the country.